



4004

ANNUAL REPORT

OF

Name: RIVERSIDE TELECOM, INC.

Principal Office: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

For the Year Ended: DECEMBER 31, 1998

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
CO	.....	Central Office
Depr	.....	Depreciation
Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
FOY	.....	First of Year
Info	.....	Information
ITC	.....	Investment Tax Credit
Misc	.....	Miscellaneous
Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
Prop	.....	Property
Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
Svcs	.....	Services
Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: RIVERSIDE TELECOM, INC.
Utility Location: 301 S WESTFIELD RD
P.O. BOX 5158
MADISON, WI 53705-0158

Utility Web Site Address:

When was utility organized?: 02/23/1907

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: JOHN ERPENBACH
Title: ACCOUNTING MANAGER

Office Address: 301 SOUTH WESTFIELD ROAD
P.O. BOX 5158
MADISON, WI 53705-0158

Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4289
Email Address: john.erpenbach@tdstelecom.com

Individual or firm, if other than utility employee, preparing this report

Name: ALEX CHRISTENSEN
Title: STAFF ACCOUNTANT
Firm: TDS TELECOM
Office Address: 301 SOUTH WESTFIELD ROAD
P.O. BOX 5158
MADISON, WI 53705-0158

Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4531
Email Address: alex.christensen@tdstelcom.com

Person responsible for financial information contained in report

Name: JOHN ERPENBACH
Title: ACCOUNTING MANAGER

Office Address: 301 SOUTH WESTFIELD ROAD
P.O. BOX 5158
MADISON, WI 53705-0158

Fax Number: (608) 664 - 4519
Telephone Number: (608) 664 - 4289
Email Address: john.erpenbach@tdstelecom.com

Person responsible for statistical information contained in report

Name: VARIOUS CONTACTS X
Title: X

A

Office Address: 301 SOUTH WESTFIELD ROAD
MADISON, WI 53717-1707

Fax Number:
Telephone Number: (608) 999 - 9999
Email Address:

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: TDS TELECOMMUNICATIONS CORPORATION
Address: 301 SOUTH WESTFIELD ROAD
MADISON, WI 53717-1707

Number of Shares Held: 6,806
Beneficial Owner: NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	2,820,659	2,422,898	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	181,629	185,866	2
Plant Nonspecific Operations Expense	879,745	663,684	3
Customer Operations Expense (6610-6620)	466,733	382,249	4
Corporate Operations Expense (6710-6790)	413,962	401,962	5
Other Operating Income and Expense (7100)	3,381	2,328	6
Operating Taxes (7200)	399,406	354,040	7
Total Operating Expenses	2,338,094	1,985,473	8
Net Operating Income	482,565	437,425	9
Other Income			
Nonoperating Income and Expense (7300)	15,933	11,070	10
Nonoperating Taxes (7400)	5,025	1,178	11
Interest and Related Items (7500)	116,454	107,381	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	21,582	2,227	14
Total Nonoperating Income	(83,964)	(95,262)	15
Net Income	398,601	342,163	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

TELEPHONE PLANT

Telephone plant is stated as the original cost of construction including capitalized costs such as taxes, pensions, and other fringe benefits, and an allowance for funds used during construction (AFUDC).

DEPRECIATION

The company provides depreciation for financial reporting purposes using the straight-line method. Renewals and betterments of units of property are charged to telephone plant in service. The original cost of depreciable property retired, together with removal cost less any salvage realized, is charged to accumulated depreciation. Repairs and renewals of minor items of property are charged to maintenance expense. No gain or loss is recognized in connection with ordinary retirements of depreciable property.

REVENUES

Operating and nonoperating revenues are recognized when earned regardless of the period in which they are billed.

Compensation for all intrastate service is received through tariffed access charges billed to the long distance carrier and retained by the company.

Compensation for interstate access services is received through tariffed access charges filed by the National Exchange Carrier Association (NECA) with the Federal Communications Commission (FCC) on behalf of the member companies. These access charges are billed by the company to the interstate long distance carrier, and pooled with like revenues from all NECA member companies.

PENSION

The company is a member of the Telephone and Data Systems, Inc. Employees' Pension Trust I. This qualified, noncontributory defined contribution pension plan covers substantially all company employees. Under this plan, pension benefits and costs are funded currently.

INCOME TAXES

The company is included in the TDS consolidated federal income tax return. For financial reporting purposes, the company computes its federal income tax by applying the statutory rate to all its taxable income.

The company uses the full-normalization method for all timing differences with the resulting book-tax differences being provisioned through the deferred tax accounts. Deferred income taxes resulting from accelerated depreciation used for income tax purposes had previously been provided through the depreciation accounts. Such deferred taxes are credited to income as the related timing differences reverse. Investment tax credits

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

income as the related timing differences reverse. Investment tax credits resulting from investments in qualifying telephone plant and equipment have been deferred and are being amortized to income over the service lives of the related property.

2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None

3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The company is restricted from transferring funds to the parent or other affiliates in the form of cash dividends until certain financial requirements of its mortgage indentures have been met. At December 31, 1998, the company could distribute up to \$1,377,877 to the parent or other affiliates in the form of cash dividends.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*			1
Cash (1130)	544,905	139,955	2
Special Cash Deposits (1140)	0	0	3
Working Cash Advances (1150)	440	440	4
Temporary Investments (1160)	0	0	5
TOTAL CASH AND EQUIVALENTS	545,345	140,395	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	155,013	107,309	6
Accounts Receivable Allowance-Telecom (1181)*	0	0	7
Net: Telecommunications Accounts Receivable	155,013	107,309	
Other Accounts Receivable (1190)*	323,988	488,619	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
Net: Other Accounts Receivable	323,988	488,619	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	1,281	0	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	480,282	595,928	
SUPPLIES			
Inventories (1220)*	46,156	27,327	13
TOTAL SUPPLIES	46,156	27,327	
PREPAYMENTS			
Total Prepayments (1280)*			14
Prepaid Rents (1290)	0	0	15
Prepaid Taxes (1300)	2,698	2,544	16
Prepaid Insurance (1310)	0	0	17
Prepaid Directory Expenses (1320)	7,768	3,826	18
Other Prepayments (1330)	11,441	8,015	19
TOTAL PREPAYMENTS	21,907	14,385	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	1,361	1,506	20
TOTAL OTHER CURRENT ASSETS	1,361	1,506	
TOTAL CURRENT ASSETS	1,095,051	779,541	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	307,047	347,047	22
Nonregulated Investments (1406)*	27,311	14,801	23
Unamortized Debt Issuance Expense (1407)*	4,393	4,643	24
Sinking Funds (1408)*	0	0	25

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	0	0	26
TOTAL INVESTMENTS	338,751	366,491	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	105	118	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	2,397	2,966	29
TOTAL DEFERRED CHARGES	2,502	3,084	
TOTAL NONCURRENT ASSETS	341,253	369,575	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	8,600,708	8,140,275	30
Less: Accumulated Depreciation (3100)*	3,894,072	3,437,683	31
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*	(1)	(1)	33
Less: Accumulated Amortization--Intangible (3500)*	0		34
NET TELECOMMUNICATIONS PLANT IN SERVICE	4,706,637	4,702,593	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0	0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	37
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	29,195	64,138	39
TOTAL TPUC	29,195	64,138	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0		40
Less: Accumulated Amortization--Other (3600)*	0		41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	4,735,832	4,766,731	
TOTAL ASSETS AND OTHER DEBITS*	6,172,136	5,915,847	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	270,591	181,659	1
Notes Payable (4020)*	800,000	800,000	2
Advance Billing and Payments (4030)*	43	0	3
Customer Deposits (4040)*	0	0	4
Current Maturities--Long-Term Debt (4050)*	69,700	67,300	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	74,956	184,194	7
Other Taxes--Accrued (4080)*	9,191	6,831	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0	0	10
Other Accrued Liabilities (4120)*	19,190	18,811	11
Other Current Liabilities (4130)*	1,334	1,000	12
TOTAL CURRENT LIABILITIES*	1,245,005	1,259,795	
LONG-TERM DEBT			
Funded Debt (4210)*	1,187,443	1,257,474	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0		17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT*	1,187,443	1,257,474	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	(37)	47,695	20
Unamortized Operating ITC--Net (4320)*	1,832	14,687	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	441,592	438,484	23
Net Deferred Tax Liability Adjustments (4341)*	(10,424)	(18,365)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	10,529	18,484	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	443,492	500,985	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	170,150	170,150	28
Additional Paid-in Capital (4520)*	0	0	29
Treasury Stock (4530)*	7,325	7,325	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	3,133,368	2,734,767	32
TOTAL STOCKHOLDERS' EQUITY*	3,296,193	2,897,592	
TOTAL LIABILITIES AND OTHER CREDITS*	6,172,133	5,915,846	

STATEMENT OF CASH FLOWS

Item (a)	Amount (b)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	398,601	1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	618,335	2
Interest during construction	(1,008)	3
Changes in assets and liabilities:		
Current assets (net)	89,440	4
Other noncurrent assets	332	5
Other current liabilities	(17,190)	6
Other liabilities and deferred credits	(57,493)	7
Other (specify):		
TOTAL ADJUSTMENTS	632,416	
NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME & ADJUST.)	1,031,017	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures:		
Changes in plant (net)	(586,428)	8
Investments in affiliated companies	0	9
Nonoperating Investments	27,490	10
Other (specify):		
NET CASH USING IN INVESTING ACTIVITIES	(558,938)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(67,131)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	0	14
Dividends paid	0	15
Miscellaneous debits/credits to retained earnings	0	16
Other (specify):		
Net Cash Provided by Financing Activities	(67,131)	
NET INCREASE IN CASH AND CASH EQUIVALENTS	404,948	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

IMPORTANT CHANGES DURING THE YEAR

1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

None

2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

None

3. Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names of parties, rents, and other conditions.

None

4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to Commission authorization.

None

5. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

None

6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue.

None

7. Changes in articles of incorporation or amendments to charter.

None

8. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

The Company has adopted the American Institute of Certified Public Accountants, Accounting Standards Executive Committee, Statement of Position 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use in 1998.

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
Other	OTH	1
TDS Telecommunications Corporation	TDS	2
Telephone And Data Systems, Inc.	TDS CORP	3
TDS Telecom, Inc.	TDS TEL	4
TDS Computing Services, Inc.	TDS/CS	5
TDSNET	TDSNET	6
Telecommunications Technologies Fund	TTF	7

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	0005-TI-000124	0005-TI-000124	0005-TI-000124	0005-TI-000124	
Name of Affiliate	OTH	SUTTLE	TDS CORP	TDS TEL	1
Designate whether billed to or from:	FROM	FROM	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	M	C	C	3
Revenues					4
Expenses:					
Plant Specific Operations Expense					5
Plant Nonspecific Operations Expense					6
Customer Operations Expense					7
Corporate Operations Expense					8
Total Operating Expenses	0	0	0	0	9
Other:					
Plant Accounts					10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing					13
All Other	43,953	854	56,791	634,755	14
Total	43,953	854	56,791	634,755	15
Percent of affiliate's business billed to all affiliated regulated utilities		58.00			16
If cost based, rate of return on equity or markup incorporated in billings	0.00		0.00	0.00	17
Footnotes					

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

Particulars	(a)	(b)	(c)	(d)	(e)	
Docket		0005-TI-000124				
Name of Affiliate		TDS/CS				1
Designate whether billed to or from:		FROM				2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)		C				3
Revenues						4
Expenses:						
Plant Specific Operations Expense						5
Plant Nonspecific Operations Expense						6
Customer Operations Expense						7
Corporate Operations Expense						8
Total Operating Expenses		0	0	0	0	9
Other:						
Plant Accounts						10
Accumulated Depreciation						11
Accumulated Amortization						12
Clearing						13
All Other		118,508				14
Total		118,508	0	0	0	15
Percent of affiliate's business billed to all affiliated regulated utilities						16
If cost based, rate of return on equity or markup incorporated in billings		15.00				17
Footnotes						

AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 4010, Accounts Payable; and 4260, Advances from Affiliated Companies. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "other" for a particular account. Affiliated amounts recorded in accounts 1200, Notes Receivable, 1408, Sinking Funds, and 4020, Notes Payable, should not be reported in this schedule, but rather in the respective schedules contained elsewhere in this report.

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
TDS Telecom, Inc.	1190	11,383	1
Other	4010	2,024	2
TDS Telecom, Inc.	4010	150,858	3 N
Telecommunications Technologies Fund	4010	5,683	4

ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

This schedule should be used to report accounts receivable net write off activity.

Particulars (a)	Amount (b)	
Collection of amounts previously written off	0	1
Uncollectibles written off during the year	0	2
Net write offs during the year	0	

NOTES RECEIVABLE (ACCT. 1200) AND ALLOWANCES (ACCT. 1201)

For affiliates, list by issue or note by affiliate. Other, list by issue or note by entity. Separately identify economic development loans and associated particulars.

Name of Maker and purpose (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Amount EOY (e)	Allowance Acct. 1201 (f)
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NONE

Total				<u><u>0</u></u>	<u><u>0</u></u>	1
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INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Class B Stock	21,847	1
Other:		
RTB Class C Stock	5,000	2
Communications Satellite Corporation	200	3
RED Grant Loaned to Clty of Johnson Creek for Water Tower	280,000	4
Total Investments in Nonaffiliated Companies	307,047	

NONREGULATED INVESTMENTS (ACCT. 1406)

Report below the name and end-of-year balance of total net investment and inventory (accts. 1406.10, 1406.11 and 1406.12) for each nonregulated activity. Telephone utilities not subject to dual jurisdiction should report materials and supplies held for resale in account 1406.

Name (a)	Balance EOY (b)	
Total Net Investment and Inventory (Accts. 1406.10, 1406.11, and 1406.12):		
Direct Broadcast Satellite (DBS)	7,684	1
Leased phones and business systems	19,627	2 o

DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

List items individually by Commission approval noting the date of approval.

Description of Item (a)	Balance EOY (b)	
None	0	1
Total	0	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	17,857		1
Motor Vehicles	2112	103,502		2
Aircraft	2113	0		3 H
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	137,771		6 B
Buildings	2121	484,947		7
Furniture	2122	12,127		8 B
Office Equipment	2123	52,331	5,450	9 B
General Purpose Computers	2124	501,596	97,300	10
TOTAL--GENERAL SUPPORT ASSETS:		1,310,131	102,750	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	1,976,139	99,067	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	28,068	0	15
Circuit Equipment	2232	806,858	58,482	16 B
TOTAL--CENTRAL OFFICE ASSETS:		2,811,065	157,549	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	32,617		20
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		32,617	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	23,130		22 B
Aerial Cable	2421	131,298	4,716	23
Underground Cable	2422	34,552	0	24 B
Buried Cable	2423	3,648,886	333,609	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	9,543		29
Conduit Systems	2441	139,053	52,543	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		3,986,462	390,868	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			17,857	1
2112			103,502	2
2113		33,920	33,920	3 H
2114			0	4
2115			0	5
2116	2,957	(14,724)	120,090	6 B
2121			484,947	7
2122		(8,426)	3,701	8 B
2123	4,096	(19,250)	34,435	9 B
2124	364		598,532	10
	7,417	(8,480)	1,396,984	
2211			0	11
2212	0	0	2,075,206	12
2215	0	0	0	13
2220			0	14
2231	0	0	28,068	15
2232	0	(20,989)	844,351	16 B
	0	(20,989)	2,947,625	
2311			0	17
2321			0	18
2341			0	19
2351	32,617		0	20
2362			0	21
	32,617	0	0	
2411		891	24,021	22 B
2421	9,240	0	126,774	23
2422	0	(6,688)	27,864	24 B
2423	106,194	0	3,876,301	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			9,543	29
2441			191,596	30
	115,434	(5,797)	4,256,099	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	8,140,275	651,167
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	155,468	(35,266)	8,600,708	
2001			0	34
			8,600,708	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	27,231	0	1 B
Company Communications Equipment	2123.2	25,100	5,450	2 B
Software	2212.1	30,269	38,956	3 B
Digital Switching - Central Office	2212.2	1,945,870	60,111	4 B
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	28,068		9
Digital Circuit Equipment	2232.1	695,806	54,071	10 B
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	111,052	4,411	12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	131,298	4,716	14
Underground Cable - Nonmetallic	2422.1	0		15
Underground Cable - Metallic	2422.2	34,552		16 B
Buried Cable - Nonmetallic	2423.1	209,522	43,089	17
Buried Cable - Metallic	2423.2	3,439,364	290,520	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	3,232	(7,871)	16,128	1 B
2123.2	864	(11,379)	18,307	2 B
2212.1		119,963	189,188	3 B
2212.2		(119,963)	1,886,018	4 B
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			28,068	9
2232.1		(20,989)	728,888	10 B
2232.2			0	11
2232.3			115,463	12
2421.1			0	13
2421.2	9,240		126,774	14
2422.1			0	15
2422.2		(6,688)	27,864	16 B
2423.1			252,611	17
2423.2	106,194		3,623,690	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	77,845	15.0	15,307	1
Aircraft	2113	0		528	2H
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	117,674	10.0	12,109	5B
Buildings	2121	140,812	3.3	16,008	6
Furniture	2122	12,127	10.0		7B
Office Equipment	2123	50,635	19.49	1,010	8B
General Purpose Computers	2124	272,126	20.0	101,370	9B
Total-- GENERAL SUPPORT ASSETS		671,219		146,332	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	951,436	9.33	199,029	11B
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	26,665	5.13	1,403	14
Circuit Equipment	2232	271,491	9.9399	74,053	15B
Total-- CENTRAL OFFICE ASSETS		1,249,592		274,485	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	27,858	13.6	1,850	19B
Other Terminal Equipment	2362	0			20
Total-- INFORMATION ORIG/TERM ASSETS		27,858		1,850	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	31,824	10.0	2,337	21B
Aerial Cable	2421	85,168	6.0	7,933	22
Underground Cable	2422	12,135	4.4	1,452	23
Buried Cable	2423	1,332,420	4.99	183,862	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	10,235	19.0	1,812	28Q

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	17,232	3.03	4,371	29
Total-- CABLE WIRE FACILITIES ASSETS		1,489,014		201,767	0
Total Accumulated Depreciation	3100	3,437,683		624,434	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100					
Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112					93,152	1
2113				31,282	31,810	2 H
2114					0	3
2115					0	4
2116	2,957			(12,576)	114,250	5 B
2121					156,820	6
2122				(8,426)	3,701	7 B
2123	4,096			(18,760)	28,789	8 B
2124	364			(82)	373,050	9 B
	7,417	0	0	(8,562)	801,572	
2211					0	10
2212	0		750	82	1,151,297	11 B
2215	0				0	12
2220					0	13
2231	0				28,068	14
2232	0			(7,872)	337,672	15 B
	0	0	750	(7,790)	1,517,037	
2311					0	16
2321					0	17
2341					0	18
2351	32,617		3,962	(1,053)	0	19 B
2362					0	20
	32,617	0	3,962	(1,053)	0	
2411				891	35,052	21 B
2421	9,240	421			83,440	22
2422	0				13,587	23
2423	106,194	354			1,409,734	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					12,047	28 Q

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					21,603	29
	115,434	775	0	891	1,575,463	
3100	155,468	775	4,712	(16,514)	3,894,072	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
Office Support Equipment	2123.1	25,535	19.0	400		1 B
Company Communications Equipment	2123.2	25,100	20.0	610		2 B
Software	2212.1	30,269	33.33	44,995		3 B
Digital Switching - Central Office	2212.2	921,167	7.98	154,034		4 B
Digital Switching - Remote	2212.3	0				5
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	26,665	5.13	1,403		9
Digital Circuit Equipment	2232.1	241,973	10.0	63,439		10 B
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	29,518	9.5	10,614		12
Aerial Cable - Nonmetallic	2421.1	0				13
Aerial Cable - Metallic	2421.2	85,168	6.0	7,933		14
Underground Cable - Nonmetallic	2422.1	0				15
Underground Cable - Metallic	2422.2	12,135	4.4	1,452		16
Buried Cable - Nonmetallic	2423.1	30,182	4.8	10,587		17
Buried Cable - Metallic	2423.2	1,302,238	5.0	173,275		18
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	0				22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1	3,232			(7,381)	15,322	1 B
2123.2	864			(11,379)	13,467	2 B
2212.1				6,360	81,624	3 B
2212.2			750	(6,278)	1,069,673	4 B
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					28,068	9
2232.1				(7,872)	297,540	10 B
2232.2					0	11
2232.3					40,132	12
2421.1					0	13
2421.2	9,240	421			83,440	14
2422.1					0	15
2422.2					13,587	16
2423.1					40,769	17
2423.2	106,194	354			1,368,965	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)

This schedule should be used to report the deferred operating income tax portion of the stated accounts. In addition, column (e) of this schedule should be used to report the flowback of property related excess deferred taxes (e.g., 46 percent versus 34 percent federal tax rates). Credit amounts should be shown in ().

Particulars (a)	Balance FOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	118	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(438,495)	5
Net Deferred Tax Liability Adjustments (4341)	18,365	6
Deferred Tax Regulatory Liability (4361)	(18,484)	7
Net Property Related Deferred Operating Income Taxes	(438,496)	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	(438,496)	
NONPROPERTY RELATED		
Other Current Assets (1350)	1,506	9 P
Other Noncurrent Assets (1410)	0	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	11	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
Total Nonproperty Related Deferred Operating Income Taxes	1,517	

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) (cont.)

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250				0	1
7250				0	2
	(13)			105	3
7250				0	4
7250	(3,099)			(441,594)	5
	(7,941)			10,424	6
	7,955			(10,529)	7
	(3,098)	0	0	(441,594)	8
				0	
	(3,098)	0	0	(441,594)	
7250			(145)	1,361	9 P
7250				0	10
				0	11
7250				0	12
7250	(9)			2	13
				0	14
				0	15
	(9)	0	(145)	1,363	

NOTES PAYABLE (ACCT. 4020)

For affiliate, list note by affiliate. For a particular affiliate, the identical affiliate name, as shown in the Affiliate Abbreviations schedule, should be reported in this schedule. For other, list by note by entity.

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)	
Affiliated:					
Telecommunications Technologies Fund	07/01/1997	12/31/1999	9.0000	800,000	1
Total Affiliated				800,000	
Total Notes Payable				800,000	

LONG-TERM DEBT

Report data requested and show total for each long-term debt account at end of year. Information concerning the following debt issues may be reported on individual lines in aggregate: REA/RTB 2%, REA/RTB 5%, & REA/RTB 7%. In addition, REA/RTB and FFB debt, respectively, within a range of 200 basis points may also be reported in aggregate on individual lines. If reported in aggregate, a range of dates may be reported in columns (b) and (c) as well as a range of interest rates in column (d) and a composite interest rate in column (e). If aggregation is not utilized, column (e) should contain the same interest rate as reported in column (d). For account 4050 report only the amount of debt anticipated to be repaid in one year or less.

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)	
Funded Debt (Account 4210):				
REA/RTB	04/12/1968-11/17/1976	04/12/2000-12/31/2005	2.0000	1
REA/RTB	08/12/1978-03/26/1991	08/12/2010-03/26/2025	5.0000	2
REA/RTB	03/26/1975-11/17/1981	03/26/2010-11/17/2016	8.0000	3
Total Funded Debt				

LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
2.0000			156,897	31,911	188,808	1
5.0000			684,483	34,045	718,528	2
8.0000			346,063	3,744	349,807	3
	0	0	1,187,443	69,700	1,257,143	

CAPITAL STOCK ACCOUNTS AT END OF YEAR

In column (a) indicate the stated dividend rate applicable to each series of preferred stock.

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)	
COMMON STOCK:				
	8,000	25.00	.00	1
TOTAL COMMON STOCK	8,000			
TOTAL	8,000			

CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares	Amount	Shares	Amount	
	(e)	(f)	(g)	(h)	
COMMON STOCK:					
	6,806	170,150	293	7,325	1
	6,806	170,150	293	7,325	
TOTAL	<u>6,806</u>	<u>170,150</u>	<u>293</u>	<u>7,325</u>	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	2,734,767	2,517,604	1
Changes:			
Balance Transferred from Income	398,601	342,163	2
Dividends Declared:			
Common		125,000	3
Preferred			4
Total Dividends Declared	0	125,000	
Miscellaneous Debits to Retained Earnings			5
Miscellaneous Credits to Retained Earnings			6
Balance--End of Year	<u>3,133,368</u>	<u>2,734,767</u>	

DISTRIBUTION OF TAXES

1. Report hereunder the summary accounts and functions charged with taxes accrued during the year.
2. Where allocation is necessary, explain the basis used.
3. Report in a footnote the amounts and kind of taxes cleared from prepaid taxes, if any.

Summary Account/ Function Charged (a)	Wisconsin License Fee (b)	Wisconsin Income Tax (c)	Federal Income Tax (d)	
Operating Taxes (Accts. 7210 - 7250)	162,679	50,918	181,972	1
Nonoperating Taxes (Accts. 7410 - 7450)		996	4,028	2
Extraordinary Items (Accts. 7630 & 7640)				3
Nonregulated Net Income (Acct. 7990)		1,921	7,784	4
Clearing Accounts				5
Construction				6
Payroll Taxes: FICA				7
Payroll Taxes: State Unemployment				8
Payroll Taxes: Federal Unemployment				9
Other (specify):				
TOTAL	<u>162,679</u>	<u>53,835</u>	<u>193,784</u>	

DISTRIBUTION OF TAXES (cont.)

PSC Remainder Assessment (e)	Local Property Tax (f)	State & Local Taxes Other than Wisconsin (g)	Other Taxes (h)	Payroll Taxes (i)	Total (j)	
3,837					399,406	1
					5,024	2
					0	3
					9,705	4
					0	5
					0	6
					0	7
					0	8
					0	9
3,837	0	0	0	0	414,135	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	755,033	681,836	2
Optional Extended Area Revenue (5002)	909		3
Cellular Mobile Revenue (5003)	0		4
Other Mobile Services Revenue (5004)	0	1,070	5
Public Telephone Revenue (5010)	0	1,413	6
Local Private Line Revenue (5040)	3,892	4,652	7
Customer Premises Revenue (5050)	2,314	844	8
Other Local Exchange Revenue (5060)	114,427	82,036	9 I
Other Local Exchange Revenue Settlements (5069)	0		10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	876,575	771,851	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	158,403	143,415	11
Switched Access Revenue (5082)*	728,866	616,119	12
Special Access Revenue (5083)*	26,247		13 J
TOTAL INTERSTATE ACCESS REVENUES (5080)	913,516	759,534	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*	0		14
Switched Access Revenue (5084.2)*	765,970	611,655	15 K
Special Access Revenue (5084.3)*	56,574	52,609	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	822,544	664,264	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	0		17
Long Distance Inward-Only Revenue (5111)	0		18
Long Distance Outward-Only Revenue (5112)	0		19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)	0		20
Voice Grade Revenue (5122)	0		21
Audio Program Grade Revenue (5123)	0		22
Video Program Grade Revenue (5124)	0		23
Digital Transmission Revenue (5125)	0		24
Switching Revenue (5126)	0		25
Other Revenue (5128)	0		26
Other Revenue Settlements (5129)	0		27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)	0		28
Other Long Distance Revenue Settlements (5169)	0		29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	109,614	108,254	30
Rent Revenue (5240)*	3,642	2,352	31
Corporate Operations Revenue (5250)*	0		32
Miscellaneous:			
Miscellaneous Revenue (5260)*			33
Special Billing Arrangements Revenue (5261)	(135)	1,679	34
Customer Operations Revenue (5262)	0		35
Plant Operations Revenue (5263)	0		36
Other Incidental Regulated Revenue (5264)	7,137	7,234	37
Other Revenue Settlements (5269)	750	815	38
Total Miscellaneous Revenue (5260)	7,752	9,728	
Interstate Billing and Collection Revenue*	25,650	32,613	39 L
Intrastate Billing and Collection Revenue*	69,692	80,637	40
Total Carrier Billing and Collection Revenue (5270)*	95,342	113,250	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	216,350	233,584	
GROSS OPERATING REVENUES	2,828,985	2,429,233	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*			42
Uncollectible Revenue--Telecommunications (5301)	7,223	8,542	43
Uncollectible Revenue--Other (5302)	1,103	(2,207)	44
TOTAL UNCOLLECTIBLE REVENUE (5300)	8,326	6,335	
TOTAL OPERATING REVENUES	2,820,659	2,422,898	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)	3,512	4,089		1
Less: Nonregulated	0	0		2
Net Regulated	3,512	4,089	0	3
Total General Support Expense (6120)	28,185	17,935		4
Less: Nonregulated	0	0		5 c
Net Regulated	28,185	17,935	0	6
Total Central Office Switching Expense (6210)	43,547	48,504		7
Less: Nonregulated	0	0		8
Net Regulated	43,547	48,504	0	9
Total Operator Systems Expense (6220)	0	0		10
Less: Nonregulated	0	0		11
Net Regulated	0	0	0	12
Total Central Office Transmission Expenses (6230)	17,424	17,069		13
Less: Nonregulated	0	0		14
Net Regulated	17,424	17,069	0	15
Total Information Orig. / Term. Expense (6310)	497	0		16
Less: Nonregulated	0	0		17
Net Regulated	497	0	0	18
Total Cable and Wire Fac. Expense (6410)	92,701	94,032		19
Less: Nonregulated	0	0		20
Net Regulated	92,701	94,032	0	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	185,866	181,629	0	
Less: Nonregulated	0	0	0	
Net Regulated	185,866	181,629	0	
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	7,451	6,454	0	22
Less: Nonregulated	0	0		23
Net Regulated	7,451	6,454	0	24
Total Network Operations Expense (6530)	118,993	136,869		25
Less: Nonregulated	0	0		26
Net Regulated	118,993	136,869	0	27
Access Expense (6540)	40,500	118,087		28
Less: Nonregulated	0	0		29 D
Net Regulated	40,500	118,087	0	30
Total Depreciation and Amortization Expense (6560)	496,740	618,335		31
Less: Nonregulated	0	0		32 E
Net Regulated	496,740	618,335		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	663,684	879,745	0	
Less: Nonregulated	0	0	0	
Net Regulated	663,684	879,745	0	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110			4,089		1
			0		2
	0	0	4,089	0	3
6120			17,935		4
			0		5 C
	0	0	17,935	0	6
6210			48,504		7
			0		8
	0	0	48,504	0	9
6220			0		10
			0		11
	0	0	0	0	12
6230			17,069		13
			0		14
	0	0	17,069	0	15
6310			0		16
			0		17
	0	0	0	0	18
6410			94,032		19
			0		20
	0	0	94,032	0	21
	0	0	181,629	0	
	0	0	0	0	
	0	0	181,629	0	
6510	0	0	6,454	0	22
			0		23
	0		6,454	0	24
6530			136,869		25
			0		26
	0	0	136,869	0	27
6540			118,087		28
			0		29 D
	0	0	118,087	0	30
6560			618,335		31
					32 E
			618,335		33
	0	0	879,745	0	
	0	0	0	0	
	0	0	879,745	0	

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	103,588	120,632	34
Less: Nonregulated	0	0	35
Net Regulated	103,588	120,632	0 36
Total Services (6620)	278,661	346,101	37
Less: Nonregulated	0	0	38 F
Net Regulated	278,661	346,101	0 39
TOTAL CUSTOMER OPERATIONS EXPENSE	382,249	466,733	0
Less: Nonregulated	0	0	0
Net Regulated	382,249	466,733	0
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	120,612	82,671	40
Less: Nonregulated	0	0	41 G
Net Regulated	120,612	82,671	0 42
Total General and Administrative (6720)	281,350	331,291	43
Less: Nonregulated	0	0	44
Net Regulated	281,350	331,291	0 45
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated	0	0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	401,962	413,962	0
Less: Nonregulated	0	0	0
Net Regulated	401,962	413,962	0
TOTAL EXPENSES	1,633,761	1,942,069	0
Less: Nonregulated	0	0	0
Net Regulated	1,633,761	1,942,069	0

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610			120,632		34
			0		35
	0	0	120,632	0	36
6620			346,101		37
			0		38 F
	0		346,101	0	39
	0	0	466,733	0	
	0	0	0	0	
	0	0	466,733	0	
6710			82,671		40
			0		41 G
	0		82,671	0	42
6720			331,291		43
			0		44
	0		331,291	0	45
6790			0		46
			0		47
			0		48
	0	0	413,962	0	
	0	0	0	0	
	0	0	413,962	0	
	0	0	1,942,069	0	
	0	0	0	0	
	0	0	1,942,069	0	

EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)	0	0		1
Provisioning Expense (6512)	7,451	6,454		2
Total: Reported in Account 6510	7,451	6,454	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	496,740	617,807		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)	0	0		4
Amortization Expense--Tangible (6563)	0	0		5
Amortization Expense--Intangible (6564)	0	0		6
Amortization Expense--Other (6565)	0	528		7
Total: Reported in Account 6560	496,740	618,335		

EXPENSE MATRIX - CLASS A & B (DETAIL) (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512			6,454		2
	0		6,454	0	
6561			617,807		3
6562			0		4
6563			0		5
6564			0		6
6565			528		7
			618,335		

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to Department of Justice and telephone relay assessments.

Description (a)	This Year (b)	
Gross Operating Revenues	2,828,985	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	3,381	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes		<u>2,832,366</u>

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	876,575	1
Plus: Total Intrastate Access Revenues (5084)	822,544	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>1,699,119</u>	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	2,828,985	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	3,381	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	2,832,366	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	876,575	1
Plus: Total Intrastate Access Revenues (5084)	822,544	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
Assessable Revenues for Universal Service Fund Assessment Purposes	1,699,119	

OTHER INCOME ACCOUNTS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*	0		1
Return from Nonregulated Use of Regulated Facilities (7130)*	2,328	2,328	2
Gains and (Losses) from Foreign Exchange (7140)	0		3
Gains or (Losses) from the Disposition of Land and Artworks (7150)	0		4
Other Operating Gains and (Losses) (7160)*	1,053		5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	3,381	2,328	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*	(12,855)	(12,855)	6
Operating Federal Income Taxes (7220)*	192,465	139,686	7
Operating State and Local Income Taxes (7230)*	50,173	36,599	8
Operating Other Taxes (7240)*	166,516	146,581	9
Provision for Deferred Operating Income Taxes--Net (7250)*	3,107	44,029	10
TOTAL OPERATING TAXES (7200)*	399,406	354,040	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	363	363	11
Interest Income (7320)*	16,328	10,013	12
Income from Sinking and Other Funds (7330)*	0		13
Allowance for Funds Used During Construction (7340)*	1,008	2,767	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0		15
Other Nonoperating Income (7360)*	0		16
Special Charges (7370)*	1,766	2,073	17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	15,933	11,070	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*	0		18
Nonoperating Federal Income Taxes (7420)*	4,029	929	19
Nonoperating State and Local Income Taxes (7430)*	996	249	20
Nonoperating Other Taxes (7440)*	0		21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	0		22
TOTAL NONOPERATING TAXES (7400)*	5,025	1,178	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	42,398	46,226	23
Interest Expense--Capital Leases (7520)*	0		24
Amortization of Debt Issuance Expense (7530)*	250	250	25
Other Interest Deductions (7540)*	73,806	60,905	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	116,454	107,381	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*			27
Extraordinary Income Credits (7610)	0	0	28
Extraordinary Income Charges (7620)	0	0	29
Current Income Tax Effect of Extraordinary Items--Net (7630)	0	0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)	0	0	31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	21,582	2,227	32

NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	165,126	1
Less: Cost of Goods Sold	76,668	2
Net Sales	88,458	3
Expenses (Acct. 7990.2)	66,876	4
Nonregulated Net Income	21,582	5

List the type of nonregulated activities that company is involved in:

Nonregulated activities include the sale, leasing, installation and maintenance of 1 & 2 line phones, key systems, PBXs, and Direct Broadcast Sttellite (DBS) and data modems. In addition, nonregulated activities include sales and leasing of mobile and pager equipment where the tariff allows.

If the revenues from an individual nonregulated activity represent in excess of 5% of the total operating revenues for the company, please provide the amounts, as requested above, for that individual activity:

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense	14,611	2
Plant Accounts	66,563	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	199,976	5
Total Salaries and Wages	281,150	6 M

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers				1
Supervision and Other Management	1.00	1.00	57,684	2
Other Employees	6.00	6.00	203,580	3
Total	7.00	7.00	261,264	

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers				1
Supervision and Other Management	1.00	1.00	57,684	2
Other Employees	6.00	6.00	203,580	3
Total	7.00	7.00	261,264	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	0	0	1
Extended Area Service	0	0	2
Extended Community Calling	0	0	3
Other Local-Undefined	0	0	4
Total Local	0	0	
TOLL			
Operator Handled: State--intraLATA	0	0	5
Operator Handled: State--interLATA	0	0	6
Operator Handled: Interstate	0	0	7
Customer Dialed: State--intraLATA	0	0	8
Customer Dialed: State--interLATA	0	0	9
Customer Dialed: Interstate	0	0	10
WATS	0	0	11
Other Toll-Undefined	0	2,144	12
Total Toll	0	2,144	
Total Local & Toll	0	2,144	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	0	0	0	0	1
Feature Group A -- Term.	0	0	0	0	2
Feature Group B -- Orig.	28	1	0	0	3
Feature Group B -- Term.	47	12	2	0	4
Feature Group C -- Orig.	0	0	0	0	5
Feature Group C -- Term.	0	0	0	0	6
Feature Group D -- Orig.	8,011	5,353	3,103	0	7
Feature Group D -- Term.	2,528	2,162	2,876	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	20	1
Sheath miles of plant - buried	204	2
Sheath miles of plant - fiber optics	13	3
Strand miles of plant - fiber optics	269	4
Route miles of plant - microwave	0	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	5	11	1
56 kbps	5	2	2
64 kbps (DS0)	2	2	3
1.54 Mbps (DS-1)	8	1	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	20	1
Sheath miles of plant - buried	204	2
Sheath miles of plant - fiber optics	13	3
Strand miles of plant - fiber optics	269	4
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56 kbps	5	2	2
64 kbps (DS0)	2	2	3
1.54 Mbps (DS-1)	8	1	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	343	507	3
2 Party	0	0	4
4 Party	0	0	5
PBX Trunks/System Trunks	0	0	6
Centrex Trunks	0	0	7
Centrex Lines	205	209	8
Key System Trunks	106	144	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	0	0	11
FX-Out (Switched)	10	8	12
Pay Telephone	16	16	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	0	0	16
- Semi-Public	0	0	17
- Cust. Owned	0	0	18
Other	0	0	19
Total Business Lines	680	884	20
Residential (Incl. Emp. Concess.)			
1 Party	2,478	2,564	22
2 Party	0	0	23
4 Party	0	0	24
FX-Out (Switched)	3	3	25
Other	0	0	26
Total Residential Lines	2,481	2,567	27
Total Bus & Res Lines	3,161	3,451	28
Company Used Lines	58	65	29
Total Lines Used	3,219	3,516	30

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	0	0	3
WATS Lines - 800 Service	1	1	4
FX-In-intraLATA	0	8	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	15	39	7
Special Access-interLATA			8
(expressed in equiv. access lines)	181	204	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	0	0	11
Feature Group C Trunks	0	0	12
Feature Group D Trunks	168	240	13
TSPS - Trunks	15	12	14
EAS - Trunks	216	216	15
Cellular Trunks (Pub. Sw. Net.)	0	0	16
Video Distance Learning			17
- discounted (special tariff)	0	0	18
Customers			
Business - 2 Party Customers	0	0	20
Business - 4 Party Customers	0	0	21
Residential - 2 Party Customers	0	0	22
Residential - 4 Party Customers	0	0	23
Other			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)	6,830,145	7,203,723	27
Total Company Square Miles	113	113	28
Total Company Route Miles	211	212	29
Footnotes			30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	2600	4540			1
Business					2
1 Party	393	114			3
2 Party		0			4
4 Party		0			5
PBX Trunks/System Trunks		0			6
Centrex Trunks	---CONF---	---CONF---			7
Centrex Lines	166	43			8
Key System Trunks	127	17			9
Mobile (utility provided service)		0			10
Paging (utility provided service)		0			11
FX-Out (Switched)	7	1			12
Pay Telephone	14	2			13
Coin-Operated Pay Telephone	0	0			14
Independent Pay Telephone Provider	0	0			15
Pay Stations - Public		0			16
- Semi-Public		0			17
- Cust. Owned		0			18
Other		0			19
Total Business Lines	707	177	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	1,580	984			22
2 Party		0			23
4 Party		0			24
FX-Out (Switched)	3	0			25
Other		0			26
Total Residential Lines	1,583	984	0	0	27
Total Bus & Res Lines	2,290	1,161	0	0	28
Company Used Lines	45	20			29
Total Lines Used	2,335	1,181	0	0	30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	2600	4540			1
Miscellaneous					2
WATS Lines - OutWATS		0			3
WATS Lines - 800 Service	1	0			4
FX-In-intraLATA	5	3			5
Special Access-intraLATA					6
(equiv. access lines)	34	5			7
Special Access-interLATA					8
(equiv. access lines)	204	0			9
Feature Group A Lines		0			10
Feature Group B Trunks		0			11
Feature Group C Trunks	0	0			12
Feature Group D Trunks	168	72			13
TSPS - Trunks	6	6			14
EAS - Trunks	168	48			15
Cellular Trunks (Pub. Sw. Net.)		0			16
Video Distance Learning					17
- discounted (special tariff)		0			18
Customers					19
Business - 2 Party Customers		0			20
Business - 4 Party Customers		0			21
Residential - 2 Party Customers		0			22
Residential - 4 Party Customers		0			23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	4,702,569	2,501,154			27
Exchange Square Miles	55	58			28
Exchange Route Miles	127	85			29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

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Electronic--Digital	D	3
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CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	JOHNSON CREEK	REESEVILLE			1
PSCW Exchange ID	2600	4540			2
Central Office Name	JOHNSON CREEK	REESEVILLE			3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	ATT	NTI			5
Year COE Installed	1995	1989			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	S	S			8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID					10
COE Generic Software Release No.	12	409.10			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	2,335	1,181			14
- Equipped	2,587	1,280			15
- Wired	2,587	1,280			16
Trunks - In Use	345	128			17
- Equipped	504	228			18
- Wired	504	300			19
ISDN Available?	Yes	No			20
ISDN Lines - In Use (BRI)	6	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	No	No			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	15	9			25
DS-3 - In Use	1	1			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	No	No			31
- In Use (# lines) ¹	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	60	16			33
No. of fiber strands working (LIT) in C.O.	8	4			34
No. of fiber strands for interoffice use	24	16			35
Miles of fiber sheath in wire center	8	5			36
Access Tandem Serving this C.O.:					
- C.O. Name	MILWAUKEE	MILWAUKEE			37
- PSCW C.O. ID	3420-01	3420-01			38
Does this C.O. do access tandem switching?	No	No			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	No	No			41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**General Footnote**

October 27, 1999

Mr. John Erpenbach, Accounting Manager
Riverside Telecom, Inc.
301 South Westfield Road
P.O. Box 5158
Madison, WI 53705-0158

Re: 1998 Analytical Review DWCCA-5140-PJL

Dear Mr. Erpenbach:

5140

The Public Service Commission (PSC) is in the process of completing an analytical review of your utility's 1998 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. Please file a revised page 15 to reflect corrections to the 1998 annual report as discussed with Chris Larson of our staff during the recent annual review of the earnings of small telecommunications utilities.

2. Staff review of page 47 reveals that information related to telephone calls and minutes of use per month are either partially provided or not provided at all. Further, no footnote is provided as to the reason(s) for not furnishing this information.

Your attention is drawn to the instructions for filing this data shown in the Commission staff e-mail dated November 19, 1998, concerning the 1998 report and the schedule reference sheet for page 47, Telephone Calls and Minutes of Use Per Month, in the 1998 Operations Manual. Even though the Commission is not requiring your company to furnish this data for the 1998 annual report due to time constraints, all efforts should be made to provide this information for the 1999 annual report due April 1, 2000. In cases where actual data cannot be made available for the 1999 report, estimated number of calls and minutes of use per month may be provided. Non availability of this information should be documented in a footnote that states clearly the reason(s) as to why it is not available and outlines the actions taken by the company to obtain such information (such as the results of discussions with switch vendors and the cost associated with adding this feature to the switching equipment or software). We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 267-9198. Please respond within 30 days of this letter. If we have no questions regarding

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

your response, you can consider the review closed.

Please note that if your response to this letter contains any data that you want to be subject to confidential treatment, you must submit a confidentiality request form with your response.

Sincerely,

Peter J. Leege
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

PJL:tlk:w:\compl\telco letters\5140 rev letter

Reply received 11/22/99

#1, revised page 15 provided, line 14 of column e on copy 1 of page 15 was changed.

#2, reply was "Please refer to Telephone calls and minutes of use per month schedule footnte regarding the information provided on page 47."
Review closed.

PJL

Schedule Footnotes**Identification and Ownership Footnote. Page 7****Affiliated Interest Transactions Footnote. Page 15**

Pursuant to agreement with PSCW staff, revenue, expense and other detail amounts are not required for the 1998 annual report. The total amount for each column is included on the All Other line in order to facilitate the summation function in the program.

Expense Matrix - Class A & B Footnote. Page 41

Pursuant to agreement with PSCW staff, expense matrix subsidiary record category detail is not required for the 1998 annual report. The total amount for each item is included in the Other column in order to facilitate the summation function in the program.

Telephone Calls and Minutes of Use Per Month Footnote. Page 47

Pursuant to agreement with PSCW staff, toll telephone calls and minutes of use per month detail is not required for the 1998 annual report. The total toll amount for each item is included on the Other Toll - Undefined line in order to facilitate the summation function in the program.

Schedule Line Footnotes

- A)** Contact John Erpenbach at (608) 664-4289 with questions on page 47, page 48, page 49 Special Access Circuits only, page 50, page 51 lines 1-9, page 52 and page 53 lines 1-9. Contact Dave Esser at (608) 664-4530 with questions on page 49 Outside Plant only, page 51 lines 10-30, page 53 lines 10-30 and page 55.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- B)** Amounts listed on pages 23 and 25, in column (g) and pages 27 and 29, column (k) are reclasses between accounts or transfers with affiliates.
- C)** General Support Asset expense went down due to the Company closing one of the business offices in 1998.
- D)** Expenses in 1998 include payments to USAC for the schools and libraries fund and also the TEACH program in Wisconsin.
- E)** Depreciation is up in 1998 due to new rates approved by the commission that were effective 1/1/98.
- F)** Corporate Executive and Planning expenses are down due to a decrease in salaries and wages as a result of the elimination of the Area Manager position in late 1997. Customer Operations expense Services is up in 1998 because a portion of the area managers wages were credited out of customer operations and billed to other affiliated companies.
- G)** Executive and Planning (6710) expenses are up due to an increase in charges from affiliates for management services.
- H)** The dollars showing in a/c 2113 - Aircraft actually consist of general support assets under \$2,000 and are the result of the FCC docket No. 95-60 for accounting and reporting general support assets under \$2,000.
- I)** Other Local Exchange Revenue (5060) is up due to an increase in subscribers of special calling features.
- J)** Special Access Revenue (5083) is up due to an increase in the number of special access circuits.
- K)** Switched Access Revenue (5084.2) is up due to an increase in minutes of use.
- L)** Pursuant to agreement with PSCW staff, not material.
- M)** The regulated expense amount for salaries of \$152,686 is included on line 5, on page 46.
- N)** Federal Income Tax payable to parent is recorded in a/c 4070100 which is included in 40101 grouping on page 16.
- O)** Balance consists primarily of leased phones and business systems net of depreciation. This leased investment is depreciated with a rate of 33.33% per year. Individual leases are not tracked separately.
- P)** The change in this account is due to use of gift certificates previously sold.
- Q)** Accumulated depreciation is greater than the asset balance because per the WI PSC, we are allowed to depreciate more than 100% of this account group.